



LASSETERS INTERNATIONAL HOLDINGS LIMITED
Company No: 200402223M

RECEIPT OF APPROVAL FROM SGX REGCO FOR WAIVER FOR THE ESCROW REQUIREMENTS UNDER RULE 1017(1)(a) OF THE CATALIST RULES

1. Introduction

The Board of Directors (the “**Board**” or “**Directors**”) of Lasseters International Holdings Limited (the “**Company**”) refers to:

- (a) the announcements dated 24 March 2022 and 25 April 2022 (the “**Announcements**”) in relation to the application by the Company to the SGX RegCo for a waiver of the escrow requirements under Rule 1017(1)(a) of the Catalist Rules (the “**Escrow Waiver Application**”); and
- (b) the Company’s circular to shareholders dated 6 May 2022 (the “**Circular**”) in relation to, amongst others, the Proposed Members’ Voluntary Liquidation and containing an update on the status of the Escrow Waiver Application.

Unless otherwise defined, all capitalised terms used herein shall bear the same meanings as ascribed to them in the Announcements and the Circular.

2. Background on Application for Waiver of Escrow Requirements under Rule 1017(1)(a) of the Catalist Rules

On 24 March 2022, the Company announced its intention to apply to the SGX RegCo for a waiver of the escrow requirements under Rule 1017(1)(a) of the Catalist Rules (the “**Escrow Waiver**”), a confirmation that the SGX RegCo has no objections to (i) the Proposed Members’ Voluntary Liquidation and (ii) the delisting of the Company only taking place after the liquidators have completed the final cash distribution to its Shareholders under the Proposed Members’ Voluntary Liquidation, and in connection with the above, an extension of time of the 12-month delisting timeline set out under Rule 1017(2) of the Catalist Rules for the Company so that the Company may remain listed on the Official List until the final cash distribution to its Shareholders is completed under the Proposed Members’ Voluntary Liquidation. Subsequently, following further discussions with the SGX RegCo, the Company submitted a revised application to the SGX RegCo (through the Sponsor) solely for the Escrow Waiver on 20 April 2022.

Following the completion of the Disposal, the Company became a cash company and is required to comply with the requirements under Rule 1017(1) of the Catalist Rules. Based on the latest announced monthly valuation of assets and utilisation for the month of March 2022 as announced by the Company on 25 April 2022, the cash and cash equivalents standing to the credit of the Group is approximately AUD16.988 million. This amount is before the settling of outstanding liabilities of AUD1.9 million.

Under Rule 1017(1)(a) of the Catalist Rules, a cash company is required to place 90% of its cash and short-dated securities (including existing cash balance and the consideration arising from the

disposal(s) undertaken by the Company) in an account opened with and operated by an escrow agent which is part of any financial institution licensed and approved by the MAS ("**Escrow Account**"). The amount that is placed in the Escrow Account cannot be drawn down until the completion of the acquisition of a business which is able to satisfy the SGX-ST's requirements for a new listing, except for payment of expenses incurred in a reverse takeover approved by the shareholders and pro-rata distributions to the shareholders.

The Company approached CitiBank to act as escrow agent in October 2021 and CitiBank has informed the Company that it has experience acting as escrow agent in relation to corporate transactions. The Company has faced some delays in opening the Escrow Account with CitiBank as there was a period of negotiation between the Company and CitiBank in relation to the escrow fees as well as the format of the escrow agreement to ensure compliance with the Catalist Rules. Additionally, the know-your-customer ("**KYC**") requirements imposed by CitiBank were substantial as the Company does not have a banking relationship in Singapore with Citibank. The Company also does not have a banking relationship with any other bank in Singapore and would therefore have to go through various onboarding and KYC process regardless of which bank it approached to act as escrow agent. Moreover, there are a limited number of banks in Singapore which have experience in acting as escrow agents for listed cash companies. While the Company has now fulfilled a substantial part of the KYC requirements required by CitiBank, it nevertheless sought the Escrow Waiver for the reasons set out in paragraph 3 below.

3. **Reasons for Escrow Waiver Application**

The Company had sought the Escrow Waiver for the following reasons:

- (a) The Company intends to conduct an EGM to seek shareholders' approval for, amongst others, the Proposed Members' Voluntary Liquidation, as soon as practicably possible, and does not intend to acquire a new business to satisfy the SGX-ST's requirements for a new listing under Rule 1017(1) of the Catalist Rules following the completion of the Disposal. Under the Insolvency Act, the Proposed Members' Voluntary Liquidation is deemed to and shall commence at the time of the passing of the Proposed Members' Voluntary Liquidation resolution. Upon commencement of the Proposed Members' Voluntary Liquidation, the liquidators will attend to and wind up the affairs of the Company by realising its non-cash assets and discharging its liabilities in accordance with the laws of Singapore, and will oversee the payments of the Company and any interim and final distributions to be made to Shareholders. Given that the Company's objective is to distribute excess cash to Shareholders after the approval of the Proposed Members' Voluntary Liquidation at the EGM which will be conducted as soon as practicable, the Company is of the view that it is not meaningful to open an Escrow Account to hold such cash and cash equivalents.
- (b) Under the Insolvency Act, the Proposed Members' Voluntary Liquidation is deemed to and shall commence at the time of the passing of the Proposed Members' Voluntary Liquidation resolution. Given that the Company intends to convene the EGM as soon as practicable and that the distribution of excess cash to Shareholders will take place imminently after the EGM, it is logistically impractical to open the Escrow Account prior to the EGM (due to the amount of time that has been required for, amongst others, the proposed escrow agent's KYC checks).
- (c) The opening of the Escrow Account would also involve incurring additional costs amounting to approximately USD70,000¹ which could instead be distributed to Shareholders instead under the Proposed Members' Voluntary Liquidation.

¹ Please note that the costs are estimates and the exact costs will depend on the actual timeline for the Proposed Members' Voluntary Liquidation and the number of withdrawals/distributions that will need to be made from the Escrow Account.

- (d) Notwithstanding the non-opening of the Escrow Account, the directors of the Company and the finance staff will continue to monitor the utilization of cash on a monthly basis and undertake the necessary cash management measures to prevent any unnecessary depletion of the cash and cash equivalents of the Company until the commencement of the Proposed Members' Voluntary Liquidation. The Company will also continue to comply with the requirements under Rule 1017(1)(b) of the Catalist Rules to provide a monthly valuation of its assets and utilisation of cash to the market via SGXNET.
- (e) The Company also has in place internal controls to safeguard its cash and bank balances during the interim period until the Proposed Member's Voluntary Liquidation is approved by Shareholders at the EGM. All withdrawals from the Company's bank accounts require 2 signatories, any one director of the Company and Datuk Paul Wong (the Chief Executive Officer of the Company).
- (f) The Company also wishes to highlight that after the commencement of the Proposed Members' Voluntary Liquidation, the powers of the Directors will cease and the liquidators will have control over the Company's cash and bank balances. The liquidators will take into custody or into their control all property and things in action to which the company is entitled to, including its cash and bank accounts (for the management of the affairs and property of the Company and the distribution of its assets pursuant to the Proposed Members' Voluntary Liquidation). The signatories of the Company's bank accounts will also be changed to the liquidators. As such, the cash and bank balances of the Group will be held in trust by the liquidators, as professionals, following the commencement of the Proposed Members' Voluntary Liquidation.
- (g) The Company is currently in discussions with the Purchasers to bring forward the payment of the Second Tranche of the Remaining Consideration to June 2022 (instead of April 2023). In the event that the Purchasers are agreeable, the Proposed Members' Voluntary Liquidation can be accelerated and would help to preserve value for distribution to Shareholders. If the payment of the Second Tranche of the Remaining Consideration can be brought forward it would be even less meaningful to open the Escrow Account given the shortened timetable for a final cash distribution and completion of the Proposed Members' Voluntary Liquidation.

In relation to the reason set out in paragraph 3(g) above, these discussions with the Purchasers are still in the preliminary stage and as at the date of this announcement, there have been no new developments on such discussions. The Company will provide Shareholders with an update as and when any material developments on these discussions occur.

4. **Outcome of Escrow Waiver Application**

The SGX RegCo had on 6 May 2022 informed the Company that based on the Company's submissions and representations to SGX RegCo, the SGX RegCo has no objection to the Escrow Waiver Application subject to the following:

- (a) the Company obtaining shareholders' approval for the Proposed Members' Voluntary Liquidation and appointment of liquidators in an EGM;
- (b) the Company announcing the Escrow Waiver granted, the reasons for seeking the Escrow Waiver, the conditions as required under Rule 106 of the Catalist Rules and if the Escrow Waiver's conditions have been satisfied. If the Escrow Waiver's conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met;

- (c) the Board of Directors' confirmation that the Escrow Waiver will not be in contravention of any laws and regulations governing the Company and its constitution (or the equivalent in the Company's country of incorporation); and
- (d) the Company making regular updates via SGXNet on the Company's liquidation process and interim cash distribution(s),

(collectively, the "**Escrow Waiver Conditions**")

The Escrow Waiver will not be effective if any of the Escrow Waiver Conditions have not been fulfilled.

5. **Status of Satisfaction of the Escrow Waiver Conditions**

In relation to Escrow Waiver Condition referred to in paragraph 4(a), the Circular in respect of the Proposed Members' Voluntary Liquidation and the appointment of liquidators has been released to shareholders via SGXNet and the Company's website on 6 May 2022. The EGM seeking shareholders' approval for, amongst others, the Proposed Members' Voluntary Liquidation and the appointment of liquidators will be held on 30 May 2022.

The Escrow Waiver Condition referred to in paragraph 4(b) has been satisfied with the release of this announcement.

The Board confirms that the Escrow Waiver will not be in contravention of any laws and regulations governing the Company and its constitution. The Escrow Waiver Condition referred to in paragraph 4(c) has therefore been satisfied.

The Company is currently in compliance and will continue to be in compliance with the Escrow Waiver Condition referred to in paragraph 4(d).

The Company will continue to update its shareholders as and when the remaining Escrow Waiver Conditions have been satisfied.

BY ORDER OF THE BOARD

DATO' JAYA J B TAN
Non-Executive Chairman
9 May 2022

This announcement has been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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